

Statement of Sheila A. Ortiz

On April 5, 2007, Sheila A. Ortiz, employee of Bureau of Conveyances (BOC), Department of Land and Natural Resources (DLNR), State of Hawaii (SOH) was contacted by Hilton J. Lui. Upon contact Ortiz was informed by Lui that he has been retained as an Investigator for the Hawaii State Ethics Commission whose Executive Director is Dan Mollway. Ortiz advised her current address is 1590 Thurston Avenue #204, Honolulu, HI 96822 and her work telephone number is 587-0120.

Ortiz advised she has been employed with the BOC since January 1991. When she was first employed she was an emergency hire at Will Call and worked at receiving, timing and numbering, and cashier. In May 1991, she became a permanent employee and became a Comparer and then a CT Writer in 1992. She then was in Indexing and in February 1998 went to Receiving as a clerk. In June 2006 she was assigned to a Special Project with Carl Watanabe as her supervisor where she currently is. Currently she works with Jolyn Kapeliela and Gina Aguilar.

Ortiz added when she was first employed at the BOC during Christmases title companies who they served brought things to the BOC. This practice had been going on for years where each Christmas they used to pull numbers at the Christmas Party and then would receive Candies. Through time she learned that the candy was from baskets that they had received from people which was then split up and distributed. Everyone received something. The last Christmas that they did that was during the Christmas of 2005.

Ortiz added because of her health condition she now only works part time, but before that when she worked full time she at times would work overtime

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after work. Ortiz added there were times where the title companies would deliver manapua or something from Liliha Bakery like puffs and something like that for them to have.

This Christmas those in Special Projects received a box of candy from an attorney on the big island but it was sent back. Some other stuff came but it was put in Carl Watanabe's office.

Ortiz advised she knows who Sandra Furukawa is. Ortiz guessed that Watanabe was hired in 1987 and was temporarily assigned as Acting Registrar after Furukawa left for about five years. Ortiz added because of the backlog the Special Projects formed. Ortiz thought Bob Masuda or Peter Young assigned Watanabe to the Special Projects. Ortiz advised since she has been assigned with Special Project she has no knowledge that they have been visited by Furukawa. Ortiz reiterated that she only works half day.

Ortiz advised on February 21, 2007, Carl Watanabe gave to her some paper work and asked her to bring it down because it needed a label and she recalled Watanabe told her it came from the Tax Office but part of the Conveyance Tax had been already paid and they had to re-calculate and pay the additional conveyance tax. Ortiz added in order to do this per Watanabe's instructions she gave the paper work to Kaiulani Lambert. Lambert in turn told her that Watanabe was not to do things like that. She replied to Lambert that Watanabe just gave it to her. Ortiz added that there have been several times that Watanabe has asked her to take paperwork down and have it numbered or whatever. Ortiz then was shown copies of the paperwork that Carl gave her on February 21, 2007 which she positively identified as being the paperwork that Watanabe gave her to bring down stairs and have

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worked on. The check for the payment was from Title Guaranty so Ortiz acknowledged the paperwork was from them. This paperwork is attached with this statement along with emails from Lambert to Dennis Ihara which Lui received from Lambert on March 14, 2007. Ortiz who works with Kapeliela and Aguilar was unaware if they were asked by Watanabe to do things like she just did for him.

Ortiz advised that there are a lot of people who call Watanabe and he answers a lot of questions.

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provided by Kaiulani Lambert 3/14/07

Kaiulani J
Lambert/DLNR/StateHIUS
02/21/2007 12:03 PM

To Dennis T Ihara/DLNR/StateHIUS@StateHIUS
cc Robert K Masuda/DLNR/StateHIUS@StateHIUS, Peter T
Young/DLNR/StateHIUS@StateHIUS
bcc Zelei M Abordo/DLNR/StateHIUS@StateHIUS; Scot K
Chang/DLNR/StateHIUS@StateHIUS; Linda G
Gomes/DLNR/StateHIUS@StateHIUS; Harriet H
Enrique/DLNR/StateHIUS@StateHIUS; Michelle I
Pang/DLNR/StateHIUS@StateHIUS; Susan De
Jesus/DLNR/StateHIUS@StateHIUS
Subject

FEBRUARY 21, 2007

HI DENNIS,

SHEILA ORTIZ CAME TO ME WITH SOME PAPER WORK FOR TITLE GUARANTY(CRAIG ENDO-ESCROW OFFICER) TO DO CORRECTIONS ON A CONVEYANCE TAX.ABOUT 11:30 AM TODAY. SHE WAS INSTRUCTED TO BRING CONVEYANCE TAX FORM AND GENERATE THE UNRECORDED LABEL TO BE FILED FOR TITLE GUARANTY.

NORMALLY I WOULD NOT HAVE A PROBLEM WITH THESE DUTIES. HOWEVER, I FEEL THAT CARL KNOWS FULL WELL THAT HE IS NOT PART OF THE BUREAU OF CONVEYANCE AND THERE IS A CHAIN OF COMMAND. IF TITLE GUARANTY HAS ANY PROBLEMS THEY KNOW THAT THEY NEED TO COME TO US IN RECEIVING DIRECTLY AND TALK TO THE SUPERVISORS NOT SEND HIS SUBORDINATES TO DO HIS BACK DOOR DEALINGS. IT MAKES ME QUESTION HIS MOTIVIES AND WHAT OTHER UNETHICAL BACK DOOR DEALS IS HE MAKING AND CO-ORDINATING WITH ONLY A SELECT FEW. TITLE GUARANTY IN PARTICULAR. IT IS MY UNDERSTANDING THAT YOU, DENNIS IS OUR ADMINISTRATOR IN THIS OFFICE. IT WOULD APPEAR THAT THIS WOULD UNDERMINE YOUR INTEGRITY. LIKE I SAID TITLE GUARANTY KNOWS THAT THIS IS A SIMPLE TASK WHICH DOESN'T REQUIRE MUCH FOR US TO DO AND UNDER ANY OTHER CIRCUMSTANCES IS NOT A PROBLEM. CARL KNOWS THAT ALL HE HAD TO DO IS TALK TO MICHELLE OR DIRECT THE SITUATION TO THE PROPER CHANNELS OR PEOPLE IN THE BUREAU OF CONVEYANCE.

I LOOK FURTHER TO ANY CORRESPONDENCE YOU MAY HAVE.

ALOHA

KAIULANI J. LAMBERT

By the way - the check expired so Michelle had
a copy of the conveyance Tax & check.
JOB# MCLAR AG1060414 (Escrow#)

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Dennis T
Ihara/DLNR/StateHiUS
02/21/2007 03:44 PM

To Kaiulani J Lambert/DLNR/StateHiUS@StateHiUS
cc Robert K Masuda/DLNR/StateHiUS@StateHiUS
Subject Re: [img alt="document icon" data-bbox="510 80 525 95"/>

Mahalo. Inform the investigator about the incident.

Dennis

Kaiulani J Lambert/DLNR/StateHiUS

Kaiulani J
Lambert/DLNR/StateHiUS
02/21/2007 03:28 PM

To Dennis T Ihara/DLNR/StateHiUS@StateHiUS
cc Robert K Masuda/DLNR/StateHiUS@StateHiUS
Subject Re: [img alt="document icon" data-bbox="505 295 520 310"/>

CRAIG ENDO

SHEILA DIDN'T TELL ME ANYTHING. I SAW A BUNCH OF PAPERWORK MADE TO HIS ATTENTION FROM CARIG ENDO. WHEN I ASKED SHEILA HOW COME YOU GUYS ARE GETTING ALL THIS STUFF, SHE TOLD ME "I DON'T KNOW ? SHE DIDN'T SAY CARL INSTRUCTED HER TO DO ANYTHING. I KNOW SHE WAS UNCOMFORTABLE WITH THE SITUATION SO I DIDN'T BOTHER PURSUING THE MATTER. . THE IMPRESSION I GOT FROM HER, CLEARLY WAS THAT SHE DIDN'T WANT TO GET INVOLVED BUT SHE KNOW'S THAT THIS IS WRONG. BUT AGAIN THIS IS A SIMPLE TASK. SO WHY THE BIG DEAL RIGHT? KIND OF ATTITUDE. I MAY BE ASSUMING, SO DON'T TAKE MY WORD FOR THIS. THERE IS ABSOLUTELY NO REASON FOR THEM TO GET ANYTHING FROM ANY OF THE TITLE COMPANIES.

I ASKED MARK FROM TG ABOUT THEIR PROTOCOL ABOUT THIS MATTER AND WHO IS THIS GUY CRAIG ENDO? HE TOLD ME THAT HE IS A ESCROW OFFICER FOR TG. HE SAID THAT HE UNDERSTOOD THAT IF THERE IS CORRECTIONS TO THE CONVEYANCE TAX ALL THEY HAD TO DO IS COME TO US TO PAY FOR THE DIFFERENCE. THAT IS IT. HE SAID HE WOULD TALK TO CRAIG. I TOLD HIM I WOULD TAKE CARE OF THIS.

KA'IU

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STATE OF HAWAII — DEPARTMENT OF TAXATION
CONVEYANCE TAX CERTIFICATE

DO NOT WRITE OR STAPLE IN THIS SPACE

(Please Type or Print)

PART I**1. TAX MAP KEY INFORMATION:**

TAX MAP KEY				
	S	PLAT	PARCEL	CPR NO.
3	9	008	036	0031

Island OAHU Apt. No. COB331**2. NAMES OF PARTIES TO THE DOCUMENT:**
SELLER(S)/TRANSFEROR(S)/GRANTOR(S), ETC.KIN TZY SO
YIN PING-K SO**PURCHASER(S)/TRANSFeree(S)/GRANTEE(S), ETC.**JOSEPH DEAN MCLARNEY**3. REAL PROPERTY TAX INFORMATION:**

If the document will not be recorded, please provide: (1) land area; and (2) address or short legal description of property: _____

Please provide mailing address for assessment notice (do not enter "Same" or "No Change"):

NAME
MR JOSEPH MCLARNEY, 3051 E IRWIN AVE, , MESA, AZ**ADDRESS****ZIP**
85204

Please provide real property tax billing address, if different from assessment address (do not enter "Same" or "No Change"):

NAME**ADDRESS****ZIP****PART II. TAX COMPUTATION AND BALANCE DUE:**

1. DATE OF TRANSACTION	1.	
2. Amount from Page 2, Part IV, line 1, 2c, 3c, or 4c	2.	780,000.00
3. Less: personal property included in amount on line 2, if applicable	3.	
4. Difference — Actual and full consideration (line 2 minus line 3)	4.	780,000.00
By checking this box and signing below, the Purchaser(s)/Transferee(s)/Grantee(s), etc. attest under penalties set forth in the declaration below, that this transaction, is EITHER :		
<input type="checkbox"/> Not a sale of a condominium or single family residence OR		
<input checked="" type="checkbox"/> The purchaser is ELIGIBLE for a county real property tax homeowner's exemption with respect to the property conveyed. 5. <input checked="" type="checkbox"/> XX		
6. Enter the applicable Conveyance Tax Rate:		
if the amount on Line 4 is:	And the box on Line 5	
Less than \$600,000	IS NOT checked.	IS checked. WAIVER
\$600,000 or more but less than \$1,000,000	.0015	.0020
\$1,000,000 or more	.0025	.0035
		x 0.0020
7. Conveyance Tax (Multiply line 4 by line 6 and round to the nearest ten cents (\$.10))		1,560.00
8a. Penalty. For late filing (See Instructions)	8a.	
8b. Interest. For late payment (See Instructions)	8b.	
PREVIOUSLY PD \$757.50, REFUNDED \$252.50, NET \$505.00 PD		
NET DUE		
9. Total Balance Due (Add lines 7 and 8)	9.	1,560.00

DECLARATION ORIGINAL DOCUMENT # 2006-122548

I (We) declare, under the penalties prescribed for false declaration in section 231-36, Hawaii Revised Statutes (HRS), that this certificate (including accompanying schedules or statements) has been examined by me (us) and, to the best of my (our) knowledge and belief, is a true, correct, and complete certificate, made in good faith, for the actual and full consideration paid on the conveyance to which this certificate is appended, pursuant to the Conveyance Tax Law, chapter 247, HRS. Note: You must have a power of attorney if signing as agent.

SIGNATURE(S) - Sellers(s)/Transferor(s)/Grantor(s), Etc.
(If agent is signing, print or type name below signature)**SIGNATURE(S) - Purchaser(s)/Transferee(s)/Grantee(s), Etc.**
(If agent is signing, print or type name below signature)

DAYTIME PHONE NO.: () -

E-MAIL ADDRESS:

DAYTIME PHONE NO.: () -

E-MAIL ADDRESS:



Title Guaranty
Escrow Services, Inc.
HONOLULU, HAWAII
ESCROW CUSTODIAL ACCOUNT

BUYER'S LAST NAME	ESCROW NUMBER	TCD INV.
	MCLAR A61060414	

THE FACE OF THIS DOCUMENT HAS MICROPRINTING DO NOT CASH IF MISSING

Ref: CTC Correction

NO. 121-106 065064 ⁵⁹⁻¹⁰²₁₂₁₃



King Street Branch
BANK OF HAWAII
Honolulu, Hawaii

VOID IF NOT CASHED WITHIN 60 DAYS

PAY * ONE THOUSAND FIFTY FIVE DOLLARS AND NO
CENTS

DATE 7/28/2006 \$ *****1055.00

Title Guaranty Escrow Services, Inc.
ESCROW CUSTODIAL ACCOUNT

TO THE
ORDER
OF BUREAU OF CONVEYANCES
KALANIMOKU
1151 PUNCHBOWL ST
HONOLULU HI 96813

BY  _____

BY _____

Two Signatures Required on Amounts Over \$5,000.00


"065064" 121301028: 0025"017757"

200566

ENDORSE HERE

X 01/21/2007 800241 FOR DEPOSIT ONLY

LOC #0301 Acct #01-000497
DLNR-800
STATE DIRECTOR OF FINANCE
FIRST HAWAIIAN BANK
DO NOT WRITE BELOW THIS LINE

 Listed below are the security features provided on this document. Absence of these features may indicate alteration / duplication: DO NOT CASH	
Security Features:	Results of check alteration / duplication
Micro Printing	Small type in signature line appears blurred if copied or scanned.
Void Pantograph	Void appears in pantograph when color copied.
Artificial Watermark	Missing graphic design placed into paper when manufactured. Watermark not visible when document held to light.
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